

**Exhibit 300 (BY2008)**

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	10
4. Investment Name:	Payment Application Modernization (PAM)
5. UPI:	015-10-01-14-01-1450-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2001 or earlier	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>This investment includes the RO Legacy payment applications as well as the Payment Application Modernization (PAM) project. In FY 2005, FMS issued more than 942 million payments, in excess of \$1.5 trillion. The production &amp; delivery of Federal payments and associated information is one of the Government's most important functions. FMS is committed to ensuring that all payments are made timely and accurately, using the best available technology to enhance customer service &amp; minimize the cost of making disbursements. The PAM project was defined as an effort to modernize the 30+ existing FMS payment applications which generate check and EFT payments on behalf of Federal Program Agencies (FPAs). The primary gaps addressed by the PAM effort include: multiple payment systems written in outdated languages, inability to meet legislative and FPA changes/requests quickly, and labor intensive manual processes. The PAM project team identified the following system goals for the new application : - Utilize COTS products, particularly for applications components such as workflow and reporting - Consider use of extensible markup language (XML) to the extent feasible - Provide access to internal users via a portal - Encourage incorporation of application program interfaces (APIs) - Wrap existing interfaces and use limited point-to-point internal interfaces - Reduce the number of middleware platforms by focusing on one or two solutions - Support single sign-on capabilities.</p> <p>Through an RFI effort, a multi-tiered solution with COTS and customized Java/J2EE code was chosen, presented, &amp; approved by the DIO Council and the ARB. As a result of an RFP process, a contract was signed with the Development Contractor in Dec. 2005 for Phase 1 (Elaboration). Phase 1 of the development effort focuses on producing production quality code, testing the highest risk elements of the process, while proving out the candidate architecture. The benefits of the PAM project include: -Introduction of a common file format -Consolidation to a modular payment application with common functionality and configuration control -Automation of manual processes -Reduction of exception processing -Payments data consolidated in a single relational database - Streamlined system maintenance -Reduction of operations and maintenance costs, including FTEs.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Sheppard, Cynthia	
Project Manager Phone:	
816-414-2301	
Project Manager Email:	

cynthia.sheppard@fms.treas.gov

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

yes

12.a. Will this investment include electronic assets (including computers)?

yes

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)

no

13. Does this investment support one of the PMA initiatives?

yes

If yes, select the initiatives that apply:

Expanded E-Government

Financial Performance

13.a. Briefly describe how this asset directly supports the identified initiative(s)?

Fin. Perf.: PAM standardizes payment processes & reduces costs using modules w/ flexibility to accommodate agencies' requests and legislative mandates. System validations and alerts will be used to prevent erroneous payments. PAM will reduce costs by consolidating 30+ payment applications. Manual interventions will be reduced by automating processes. E-Gov: PAM will utilize Web-based technologies to improve timeliness and reporting processes.

14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?

yes

14.a. If yes, does this investment address a weakness found during the PART review?

yes

14.b. If yes, what is the name of the PART program assessed by OMB's Program Assessment Rating Tool?

Financial Management Service Payments

14.c. If yes, what PART rating did it receive?

Effective

15. Is this investment for information technology (See section 53 for definition)?

yes

16. What is the level of the IT Project (per CIO Council's PM Guidance)?

Level 3

17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)

(1) Project manager has been validated as qualified for this investment

18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?

yes

19. Is this a financial management system?

yes

19.a. If yes, does this investment address a FFMA compliance area?

yes			
19.a.1. If yes, which compliance area:			
Standard General Ledger at the Transaction Level, Financial Systems Requirements and Accounting Standards, Integrated Financial Management Systems, Reconciliation Procedures, and Accurate and Timely Reporting of Financial Information			
19.b. If yes, please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A11 section 52.			
Regional Financial Center (RFC) Payment Systems--RFC PAY Payment Application Modernization--PAM			
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)			
Hardware	2		
Software	0		
Services	86		
Other	11		
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?			
n/a			
22. Contact information of individual responsible for privacy related questions.			
Name			
Shirley Thompson			
Phone Number			
(202) 814-4207			
Title			
ISSO			
Email			
shirley.thompson@fms.treas.gov			
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?			
yes			
<b>SUMMARY OF SPEND</b>			
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.			
All amounts represent Budget Authority			
(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)			
	PY-1 & Earlier	PY	CY
	-2005	2006	2007

<b>Planning Budgetary Resources</b>	1.383	1.411	0.000
<b>Acquisition Budgetary Resources</b>	0.000	7.612	7.826
<b>Maintenance Budgetary Resources</b>	0.000	0.000	0.000
<b>Government FTE Cost</b>	46.558	10.677	11.509
<b># of FTEs</b>	116	116	116

*Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).*

*Government FTE Costs should not be included as part of the TOTAL represented.*

*2. Will this project require the agency to hire additional FTE's?*

no

*3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.*

In May 2006, PAM submitted a Baseline Change Request to reflect higher, and more accurate, Operations and Maintenance costs for the Legacy application as well as lower, and more accurate, vendor development costs for the modernization effort. Additionally, the methodology used to allocate project cost to milestones was modified to align FY costs with specific FY milestones.

## PERFORMANCE

*In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.*

*Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.*

Table 1

	<b>Fiscal Year</b>	<b>Strategic Goal(s) Supported</b>	<b>Performance Measure</b>	<b>Actual/baseline (from Previous Year)</b>	<b>Planned Performance Metric (Target)</b>	<b>Performance Metric Results (Actual)</b>
<b>1</b>	2006	Goal---F4 Manage the Government's finances effectively. FMS Strategic Goal 1 --- Provide federal payments timely and accurately, move toward electronic Treasury for payments and determine the optimal payment environment for the future.	Maintain 99.99% of paper check payments made accurately and on time through the legacy payment applications.	As of the end of FY 05, 99.99% of paper check payments were made accurately and on time.	The Postage & Payments Report & RFC performance goal tracking will be used to calculate the % of Check payments processed timely and accurately. The two metrics are 1) total payments processed and 2) number of payments processed accurately & timely.	As of 9/30/06, 219 million Check payments were processed by the RFCs. The % of Check payments on time/accurate each month are as follows: July 99.99%/99.94%, Aug 100%/99.94%, Sep%%/99.94%
<b>2</b>	2006	Goal ---F4 Manage the US Government's finances effectively. FMS Strategic Goal 1 ---Provide Federal payments timely and accurately, move toward an electronic Treasury for payments and determine the optimal payment	Maintain 99.99% of EFT payments made accurately and on time through the legacy payment applications.	As of the end of FY 05, 99.99% of Electronic Funds Transfer (EFT) payments were made accurately and on time.	The Postage & Payments Report & RFC performance goal tracking will be used to calculate the % of EFT payments processed timely and accurately. The two metrics are 1) total payments processed and 2) number of payments processed	As of 9/30/06, 745 million EFT payments were processed by the RFCs. The % of EFT payments on time/accurate each month are as follows: July 99.99%/100%, Aug 100%/99.99%, Sep%%/99.99%

		environment for the future.			accurately and timely.	
3	2006	Goal ---F4 Manage the US Government's finances effectively. FMS Strategic Goal 1 ---Provide Federal payments timely and accurately, move toward an electronic Treasury for payments and determine the optimal payment environment for the future.	Increase the number of FMS PAM developers who attain the level of Practitioner from none to 3, resulting in future contractor (vendor) savings being achieved through FMS self-sufficiency of PAM.	As of the end of FY 05, no FMS developers have attained the level of Practitioner.	Attaining Practitioner status will be based on the successful completion of the following: introductory technical training courses, pair programming and knowledge transfer, developer self-assessment, mentor assessment, and supervisor assessment.	As of 9/30/06, three FMS developers have attained practitioner status as scheduled. Future contractor (vendor) savings will be achieved through self-sufficiency of PAM.
4	2007	Goal ---F4 Manage the US Government's finances effectively. FMS Strategic Goal 1 ---Provide Federal payments timely and accurately, move toward an electronic Treasury for payments and determine the optimal payment environment for the future.	Increase the number of FMS PAM developers who attain the level of Practitioner to 7, resulting in future contractor (vendor) savings being achieved through FMS self-sufficiency of PAM.	4 FMS developers have attained the level of Practitioner.	Attaining Practitioner status will be based on the successful completion of the following: introductory technical training courses, pair programming and knowledge transfer, developer self-assessment, mentor assessment, and supervisor assessment.	As of 12/31/06, no additional FMS developers have attained practitioner status
5	2007	Goal ---F4 Manage the US Government's finances effectively. FMS Strategic Goal 1 ---Provide Federal payments timely and accurately, move toward an electronic Treasury for payments and determine the optimal payment environment for the future.	Maintain 99.99% of paper check payments made accurately and on time through the legacy payment and PAM applications.	99.99% of paper check payments were made accurately and on time.	The Postage & Payments Report & RFC performance goal tracking will be used to calculate the % of Check payments processed timely and accurately. The two metrics are 1) total payments processed and 2) number of payments processed accurately & timely.	
6	2007	Goal ---F4 Manage the US Government's finances effectively. FMS Strategic Goal 1 ---Provide Federal payments timely and accurately, move toward an electronic Treasury for payments and determine the optimal payment environment for the future.	Maintain 99.99% of EFT payments made accurately and on time through the legacy payment and PAM applications.	99.99% of Electronic Funds Transfer (EFT) payments were made accurately and on time.	The Postage & Payments Report & RFC performance goal tracking will be used to calculate the % of EFT payments processed timely and accurately. The two metrics are 1) total payments processed and 2) number of payments processed accurately and timely.	

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov).

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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#### EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

**Payment Application Modernization (PAM)**

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

*Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.*

*Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.*

*Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.*

*Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.*

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Data Mart	Web accessible data storage, maintenance, availability, and integrity	Data Management	Data Mart			No Reuse	0
2	Quality Management	Track and control software testing.	Management of Processes	Quality Management			No Reuse	1
3	Internal Controls	Provides workflow management and statistics (e.g., payment lifecycle and productivity); validation and authorization of payment requests.	Financial Management	Internal Controls			No Reuse	0
4	Change Management	Track and control modifications to software	Management of Processes	Change Management			No Reuse	1
5	Data Exchange	Dynamic data interchange, transfer, extraction, and dissemination.	Data Management	Data Exchange			No Reuse	10
6	Data Recovery	Hot site and full business continuity plan.	Data Management	Data Recovery			No Reuse	1
7	Configuration Management	Track and control deployments	Management of Processes	Configuration Management			No Reuse	1
8	Enterprise Application Integration	Replacing disparate systems with a standard data model and workflow.	Development and Integration	Enterprise Application Integration			No Reuse	2
9	Data Integration	Normalization and assimilation of legacy, disparate,	Development and	Data Integration			No Reuse	0

10	Requirements Management	Track and control requirements	Management of Processes	Requirements Management			No Reuse	3
11	Software Development	Applications design, development, quality assurance, and implementation.	Development and Integration	Software Development			No Reuse	0
12	Program / Project Management	Track and control development tasks.	Management of Processes	Program / Project Management			No Reuse	6
13	Access Control	Management and oversight of system access, privileges, system utilization, user profiles, etc.	Security Management	Access Control	Identification and Authentication	015-00-02-00-01-1070-00	Internal	0
14	Extraction and Transformation	Transform, import and extract data	Data Management	Extraction and Transformation			No Reuse	0
15	Audit Trail Capture and Analysis	Logging and Reporting	Security Management	Audit Trail Capture and Analysis			No Reuse	1
16	Payment / Settlement	Processing and disbursement of Federal Program Agency payment requests.	Financial Management	Payment / Settlement			No Reuse	67
17	Ad Hoc	Web accessible ad hoc reporting.	Reporting	Ad Hoc			No Reuse	0
18	Standardized / Canned	Web accessible pre-defined reporting.	Reporting	Standardized / Canned			No Reuse	0

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Recovery	Service Access and Delivery	Access Channels		
2	Data Recovery	Service Access and Delivery	Access Channels		
3	Data Mart	Service Platform and Infrastructure	Database / Storage		
4	Access Control	Component Framework	Security		
5	Software Development	Service Platform and Infrastructure	Software Engineering		
6	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
7	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		

9	Audit Trail Capture and Analysis	Service Platform and Infrastructure	Software Engineering		
10	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
11	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
12	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
13	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
14	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
15	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
16	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
17	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
18	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
19	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
20	Access Control	Component Framework	Security		
21	Access Control	Component Framework	Security		
22	Access Control	Component Framework	Security		
23	Payment / Settlement	Component Framework	Business Logic		
24	Data Exchange	Service Access and Delivery	Service Transport		
25	Data Exchange	Service Access and Delivery	Service Transport		
26	Internal Controls	Service Access and Delivery	Service Transport		
27	Enterprise Application Integration	Component Framework	Data Interchange		
28	Data Exchange	Component Framework	Data Management		
29	Data Exchange	Component Framework	Data Management		
30	Data Exchange	Component Framework	Data Management		
31	Payment / Settlement	Component Framework	Presentation / Interface		
32	Payment / Settlement	Component Framework	Presentation / Interface		



34	Enterprise Application Integration	Service Platform and Infrastructure	Delivery Servers		
35	Enterprise Application Integration	Service Platform and Infrastructure	Support Platforms		
36	Enterprise Application Integration	Service Platform and Infrastructure	Support Platforms		
37	Internal Controls	Service Access and Delivery	Service Requirements		
38	Data Exchange	Service Access and Delivery	Service Transport		
39	Enterprise Application Integration	Service Interface and Integration	Integration		
40	Extraction and Transformation	Service Interface and Integration	Integration		
41	Extraction and Transformation	Service Interface and Integration	Integration		
42	Data Integration	Service Interface and Integration	Integration		
43	Data Integration	Service Interface and Integration	Integration		
44	Enterprise Application Integration	Service Interface and Integration	Interface		
45	Enterprise Application Integration	Service Interface and Integration	Interoperability		
46	Payment / Settlement	Service Platform and Infrastructure	Software Engineering		
47	Change Management	Service Platform and Infrastructure	Software Engineering		
48	Configuration Management	Service Platform and Infrastructure	Software Engineering		
49	Program / Project Management	Service Platform and Infrastructure	Software Engineering		
50	Quality Management	Service Platform and Infrastructure	Software Engineering		
51	Quality Management	Service Platform and Infrastructure	Software Engineering		
52	Requirements Management	Service Platform and Infrastructure	Software Engineering		
53	Data Exchange	Service Access and Delivery	Access Channels		
54	Ad Hoc	Component Framework	Data Management		
55	Standardized / Canned	Component Framework	Data Management		

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

<b>PART TWO</b>
<b>RISK</b>
<i>You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.</i>
<i>Answer the following questions to describe how you are managing investment risks.</i>
<i>1. Does the investment have a Risk Management Plan?</i>
yes
<i>1.a. If yes, what is the date of the plan?</i>
2006-06-15
<i>1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?</i>
yes
<i>1.c. If yes, describe any significant changes:</i>
Since the 2005 OMB submission, the risks have been revised to incorporate the input of the development contractor. Risks specific to cost, schedule, tools, and resources have been updated to align with current project plans and timeframes.
<i>3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&amp;M investments do NOT need to answer.)</i>
A small amount of contingency funding is available to mitigate against the schedule and life cycle risks identified in the Risk Inventory and Assessment section as well as Resource Risk all of which have been identified as medium to high risk in the risk management plan. These contingency funds have been reflected in the lifecycle costs, and impacted milestones in the Baseline Change Request have been risk adjusted. FMS' designation of their Business Partner as its fiscal agent for the PAM initiative mitigates the project resource risk. Therefore, PAM is able to draw upon and leverage subject matter expertise from across the Business Partners, including expertise and skill sets required for Phase 1 (proving out the highest risk technical elements of PAM). This mitigates against the availability of vendor resources. Effective May 2006, daily meetings with the development vendor are being held to ensure communication of resource status. The development pairs are rotated on a regular basis to ensure cross-training is diversified among the FMS project developers. The establishment of vendor penalties (15% retainage for the Development Contractor) will ensure schedule discipline and are included in the contract. The contracts for the project will be approached separately for Phase 1 (Elaboration) and future production releases. The contracts for future production releases will be awarded through a best and final offer and will leverage the knowledge and experience gained through Phase 1 activities. All development contracts are anticipated to be fixed price contracts, similar to the current contract. Project costs are continuously monitored in all categories (Direct, Local Support, and Other Support) on a monthly basis. Current costs for the Legacy application reflect a greater than 10% variance against the current baseline, due to operations and maintenance costs previously reported being grossly underestimated by approximately \$7 million annually. More accurate operations and maintenance costs are reflected in the PAM Baseline Change Request, which was submitted in May 2006. Total Business Partner Bank YTD project costs for the development effort continue to fall under the revised YTD 2006 budget estimate. Travel costs are also tracked on a monthly basis.
<b>COST &amp; SCHEDULE</b>
<i>Does the earned value management system meet the criteria in ANSI/EIA Standard 748?</i>
yes
<i>2.a. What is the Planned Value (PV)?</i>
12.261
<i>2.b. What is the Earned Value (EV)?</i>
7.908
<i>2.c. What is the actual cost of work performed (AC)?</i>
10.079
<i>What costs are included in the reported Cost/Schedule Performance information?</i>
Contractor and Government
<i>2.e. As of date:</i>

2006-12-31
3. What is the calculated Schedule Performance Index (SPI= EV/PV)?
0.64
4. What is the schedule variance (SV = EV-PV)?
-4.354
5. What is the calculated Cost Performance Index (CPI = EV/AC)?
0.78
6. What is the cost variance (CV = EV-AC)?
-2.172
7. Is the CV or SV greater than 10%?
yes
7.a. If yes, was it the CV or SV or both?
Both
7.b. If yes, explain the variance.
Through the completed benefit cost study, it was determined that the costs for the maintenance of the legacy RFC payments system were grossly underestimated. The variance is also the result of the methodology used to apportion projected expenses to milestones. The methodology previously used to distribute project costs across milestones comprised of spreading the entire project's costs across all milestones. Therefore, a portion of the anticipated vendor costs over the life of the project were projected in 1Q FY 2006. However, no vendor costs were incurred until 2Q FY 2006 which resulted in a large variance for DME in 1Q FY 2006. Also, at the time the current milestones and costs were developed, no contract had been awarded for development. Therefore, FY 2006 project cost and schedule estimates were based on preliminary information obtained through the RFI process in 2004, which were substantially higher than the actual contracted cost.
7.c. If yes, what corrective actions are being taken?
Corrective Action Plan: 1. Task: Restructure the methodology used to distribute project costs to milestones as part of the Baseline Change Request (BCR) submitted in May 2006. Start to End dates: 1/15/06-4/1/06 2. Task: Select a vendor for application development and knowledge transfer activities. Start to End dates: 10/1/05-12/31/05 3. Task: Develop a detailed integrated project plan. Start to End dates: 2/1/06-3/23/06 4. Task: Present the candidate architecture to the CIO Council and the ARB. Start to End dates: 3/16/06-3/22/06 5. Task: Identify specific hardware/software needed for the project. Start to End dates: 10/15/05-9/30/06 6. Task: Leverage the IV&V to provide periodic health assessments and architectural reviews. Start to End dates: 5/11/05-9/30/08 7. Task: Complete Benefit Cost Analysis. Start to End dates: 1/1/06-4/1/06 8. Task: Report EVM statistics in accordance with EVM policies. Start to End dates: 10/1/05-12/31/08 9,10,11. Task: Complete necessary tasks to resolve outstanding ETL Issues Start to End dates: 7/3/06-1/31/07
7.d. What is most current Estimate at Completion?
8. Have any significant changes been made to the baseline during the past fiscal year?
yes